

SAMUEL W. STEVENS, III
Certified Public Accountant

SAFE HAVEN DEVELOPMENTAL SERVICES, INC.
MINDEN, LOUISIANA

Audited Financial Statements

December 31, 2013

SAFE HAVEN DEVELOPMENTAL SERVICES, INC.
MINDEN, LOUISIANA

For the Year ended December 31, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Safe Haven Developmental Services, Inc.
Minden, Louisiana

Report on the Financial Statements

I have audited the accompanying statements of financial position of Safe Haven Developmental Services, Inc., a nonprofit organization, as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Safe Haven Developmental Services, Inc. as of December 31, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements of Safe Haven Developmental Services, Inc. taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, I have also issued my report dated June 2, 2014, on my consideration of Safe Haven Developmental Services, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Safe Haven Developmental Services, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Samuel W. Stearns, II". The signature is fluid and cursive, with a horizontal line extending from the end.

June 2, 2014

SAFE HAVEN DEVELOPMENTAL SERVICES INC.

Statement of Financial Position

December 31, 2013

Assets

Current Assets:

Cash	\$	7,438
Other Receivable		<u>10,057</u>
Total Assets		<u><u>17,495</u></u>

Net Assets

Net Assets:

Unrestricted		<u>17,495</u>
Total Net Assets	\$	<u><u>17,495</u></u>

The accompanying notes are an integral part of these financial statements

SAFE HAVEN DEVELOPMENTAL SERVICES INC.

Statement of Activities For the Year Ended December 31, 2013

	<u>Unrestricted</u>
<i>Support:</i>	
Grant	\$ 939,973
Total Support	<u>939,973</u>
<i>Expenses:</i>	
Business Expenses	3,119
Contract Services	388,682
Facilities and Equipment	100,814
Operations	373,264
Other Types of Expenses	27,862
Travel, Training and Meetings	<u>29,784</u>
Total Expenses	<u>923,525</u>
Change in Net Assets	16,448
<i>Net Assets</i>	
Beginning of Year	<u>1,047</u>
End of Period	<u><u>\$ 17,495</u></u>

The accompanying notes are an integral part of these financial statements

SAFE HAVEN DEVELOPMENTAL SERVICES INC.

Statement of Functional Expenses For the Year Ended December 31, 2013

Expense	<i>Safe Haven Developmental Services</i>	<i>Summer Food Services Program</i>	<i>Total Expenses</i>
Business Expenses			
Bank Charges	\$ 35	\$ 70	\$ 105
Federal Taxes	2,526	0	2,526
Property Building Taxes	488	0	488
Total Business Expenses	3,049	70	3,119
Contract Services			
Accounting Fees	750	0	750
Outside Contract Services	3,862	6,020	9,882
Contractor Services - Wages	45,205	332,845	378,050
Total Contract Services	49,817	338,865	388,682
Facilities and Equipment			
Office Maintenance	0	19,000	19,000
Equip Rental and Maintenance	1,752	10,374	12,126
Equipment	26,494	3,589	30,083
Pest Control	0	190	190
Utilities - Gas	95	494	589
Utilities - Lights & Water	892	2,643	3,535
Lease / Rental - Building	2,400	19,524	21,924
Garbage Services	203	2,147	2,350
Office Equipment	2,092	8,095	10,187
Computer Services	50	135	185
Equipment for Van	0	645	645
Total Facilities and Equipment	33,978	66,836	100,814
Operations			
Postage, Mailing Service	83	159	242
Printing and Copying	48	0	48
Supplies	11,224	0	11,224
Telephone, Telecommunications	1,426	3,536	4,962
Office Supplies	1,256	9,006	10,262
Food Purchase	2,116	342,926	345,042
Non-Food Supplies	557	927	1,484

The accompanying notes are an integral part of these financial statements

Total Operations	<u>16,710</u>	<u>356,554</u>	<u>373,264</u>
Other Types of Expenses			
Advertising Expenses	1,000	0	1,000
Insurance	1,494	3,587	5,081
Charity Contribution	100	0	100
Donation Contribution	20,181	0	20,181
Other Costs	<u>1,500</u>	<u>0</u>	<u>1,500</u>
Total Other Types of Expenses	<u>24,275</u>	<u>3,587</u>	<u>27,862</u>
Travel, Training and Meetings			
Conference, Convention, Meeting	887	13,665	14,552
Hotel Expenses	3,288	0	3,288
Transportation	1,214	4,297	5,511
Mileage Allowance	<u>0</u>	<u>6,433</u>	<u>6,433</u>
Total Travel, Training and Meetings	<u>5,389</u>	<u>24,395</u>	<u>29,784</u>
Total Expense	\$ <u>133,218</u>	\$ <u>790,307</u>	\$ <u>923,525</u>

The accompanying notes are an integral part of these financial statements

SAFE HAVEN DEVELOPMENTAL SERVICES INC.

Statement of Cash Flows For the Year Ended December 31, 2013

<i>Cash Flows from Operating Activities</i>	
Change in Net Assets	\$ 16,448
Adjustments to Reconcile Change in Net Assets to Net Cash Provided from Operations:	
(Increase)/Decrease in Other Receivable	(10,057)
Rounding	<u>(1)</u>
Total Adjustments	<u>(10,058)</u>
<i>Net Cash Provided/(Used) by Operating Activities</i>	<u>6,390</u>
<i>Net Increase/(Decrease) in Cash</i>	<u>6,390</u>
<i>Cash, Beginning of Year</i>	<u>1,047</u>
<i>Cash, End of Year</i>	<u><u>\$ 7,438</u></u>

The accompanying notes are an integral part of these financial statements

SAFE HAVEN DEVELOPMENTAL SERVICES, INC LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION

Safe Haven Developmental Services, Inc is a Louisiana not-for-profit organization incorporated under the laws of the State of Louisiana on February 8, 2007. It was organized for religious, charitable, educational and scientific purposes. Safe Haven provides the following service:

Summer Food Service Feeding Program

Safe Haven is a Sponsor as defined by the United States Department of Agriculture., Food and Nutrition Service, at 7 CFR Part 225. Through approved Sponsors, The Louisiana Department of Education facilitated USDA Funds to Safe Haven as reimbursement for meals served to children in the Louisiana parishes of Webster and Caddo.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Reporting

The financial statements are presented on the accrual basis of accounting and are prepared in accordance with current recommendations of the American Institute of Certified Public Accountants for Not-for-Profit Organizations. The significant accounting policies are described below:

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ASC 958, Financial Statements of Not-for-Profit Organizations. The Organization has elected to present a classified statement of financial position, under ASC 958; the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net Assets

Net Assets are included in one of the following three classes, depending on the presence and type of donor-imposed restrictions.

- *Unrestricted Net Assets* - Net Assets not subject to donor-imposed restrictions.
- *Temporarily restricted Net Assets* - Net assets subject to donor-imposed restrictions that may be met either by an action and/or through the passage of time. As of December 31, 2013 Net Assets included no temporarily restricted net assets.
- *Permanently restricted Net Assets* - Net Assets subject to donor-imposed restrictions that will not expire through the passage of time and/or an action. As of December 31, 2013, Net Assets included no permanently restricted net assets.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, program and support service expenses are specifically identified with or allocated to Safe Haven's various functions. Expenses requiring allocation include services provided by Safe Haven's management and administrative staff to specific program-related activities. Expense allocations are prorated based on a percentage of time or actual usage.

Income Tax Status

Safe Haven is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code Section and corresponding state code as a charitable organization whereby only unrelated business income, as identified by Section 509(a)(1) of the Code, is subject to income tax. Safe Haven had no unrelated business income in 2013. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

Safe Haven adheres to the provisions of FASB ASC 740-10-25. Under FASB ASC 740-10-25, an organization must recognize the tax benefit associated with tax taken for tax return purposes when it is more likely than not the position will be sustained. Safe Haven does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for unrecognized tax benefits or any related interest or penalties.

Advertising And Public Relations Costs

Advertising and public relations costs are charged to operations when incurred. Advertising and public relations costs charged to operations for the year ended December 31, 2013 totaled \$2,000.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and time deposits. Safe Haven considers money market funds and short-term investments, with a maturity of less than 90days from the acquisition date to be cash equivalents. As of December 31, 2013, there are no cash equivalents.

Revenues

NOTE 2 – SUMMARY OF GRANT FUNDING

Safe Haven received the following grant for 2013:

	<u>Amount</u>
Summer Food Service Feeding Program - Department of Agriculture	
- Louisiana Department of Education	\$ <u>939,973</u>
Total Grant Funding	\$ <u><u>939,973</u></u>

NOTE 3 – CONCENTRATION, RISK AND UNCERTAINTIES

Safe Haven maintains a cash balance at one financial institutions. At December 31, 2013, the account at the institution is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2013, the cash balance on deposit at the institution did not in exceed the federally insured limit.

For the year ended December 31, 2013, approximately 100% of Safe Haven's funding is federal funds passed-through the Louisiana Department of Education.

NOTE 4. COMMITMENTS AND CONTINGENCIES

The organization entered into three month rental agreements for several facilities wherein it administered its Summer Food Service Program.. Total rents allocated and paid for the year was \$21,924.

The Organization receives grants and contracts that are subject to review and audit by the agency(ies) providing the funding. Such reviews and audits could result in expenses being disallowed under the terms and conditions of the grants or contracts. In the opinion of management, such disallowances, if any, would be immaterial.

NOTE 5. RELATED PARTY TRANSACTIONS

The organization entered into a lease agreement with a family member related to members of the Board of Directors. The lease agreement was a six month rental agreements for a kitchen and commercial facility to administer its Summer Food Service Program and developmental services. The family member received \$4,000.00 in lease payments.

NOTE 6. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 2, 2014, which is the date the financial statements were available to be issued. There were no events requiring disclosure.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Safe Haven Developmental Services, Inc
Minden, Louisiana 71055

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Safe Haven Developmental Services, Inc., (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued me report thereon dated June 2, 2014.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Safe Haven Developmental Services, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Safe Haven Developmental Services, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies. I consider the deficiencies described in the schedule of findings and questioned costs as items 13-01 and 13-02 to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Safe Haven Developmental


Services, Inc. financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Safe Haven Developmental Services, Inc's Response to Findings

Safe Haven Developmental Services, Inc. response to the findings identified in my audit is described in the accompanying schedule of findings and questioned costs. I did not audit Safe Haven Developmental Services, Inc. response and, accordingly, I express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose and is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



June 2, 2014

SAMUEL W. STEVENS, III CPA

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors
Safe Haven Developmental Services, Inc.
Minden, Louisiana 71055

Report on Compliance for Each Major Federal Program

I have audited Safe Haven Developmental Services, Inc.'s compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Safe Haven Developmental Services, Inc.'s major federal programs for the year ended December 31, 2013. Safe Haven Developmental Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Safe Haven Developmental Services, Inc.'s major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Safe Haven Developmental Services, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Safe Haven Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In my opinion, Safe Haven Developmental Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

Report on Internal Control Over Compliance

Management of Safe Haven Developmental Services, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations,

contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Safe Haven Developmental Services, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Safe Haven Developmental Services, Inc.'s internal control over compliance.

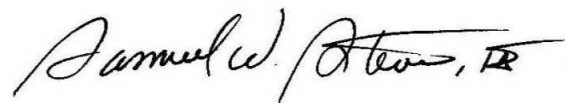
My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. I consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 13-01 to be a significant deficiency.

Safe Haven Developmental Services, Inc.'s response to the internal control over compliance finding identified in my audit is described in the accompanying schedule of findings and questioned costs. Safe Haven Developmental Services, Inc.'s response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose and is intended solely for the information and use of management, the Board of Directors, the Louisiana Legislative Auditor, and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



June 2, 2014

Schedule of Findings and Questioned Costs

Section I - Summary of Auditor's Report

Financial Statements

Type of auditor's report issued	Unqualified	
Internal Control over financial reporting		
Material weaknesses identified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Noncompliance material to financial statements noted	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs		
Material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiencies identified	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Type of auditor's report issued on compliance for major program	Unqualified	
Any audit findings disclosed that are required to be reported in accordance with section 510 (a) of OMB Circular A-133	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Major program identified	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Summer Food Service Program	CFDA 10.559	
Dollar threshold used to distinguish between type A and Type B programs	\$300,000	
Auditee qualified as a high risk auditee		

Schedule of Findings and Questioned Costs

Section II - Financial Statement Findings

Item 13-01

a. CONDITION:

There is no evidence that invoices, p.o. (s), receiving reports, and other documents relative to the payment of expenses are examined and reviewed by an authorized person.

b. CRITERIA

Every transaction must be properly authorized if controls are to be satisfactory. Evidence must exist that the transactions have been authorized according to management's policy. Evidence would be in the form of the person responsible for authorizing the transaction to initial or sign-off on the original document, indicating that the transaction has been authorized.

c. CAUSE OF CONDITION:

The organization has limited personnel and is closely held. The check signer authorizes all transactions and considers that since no other employees are involved in the process that no other procedures are required.

d. POTENTIAL EFFECT OF CONDITION:

Although there is limited involvement in the payment process, there exist the risks that misappropriation of assets could occur by the reuse of vendor invoices that have been previously processed and paid.

e. RECOMMENDATION:

It is recommended that management include in its policies that all transactions include evidence of proper authorization. This can be accomplished by obtain an "approved for payment" stamp, whereby the person authorizing transactions will have ability to initial or sign off on the document submitted for payment.

CLIENT RESPONSE

Corrective Action

Safe Haven Developmental Services Inc. will include in its policies for the Director of programs to approve all transactions before any documents can be submitted for payments. This will be done through stamping documents approved with date and signature indicating payment clearance.

Person Responsible

Diane Johnson, President

Item 13-02

a. CONDITION

The management of the organization disbursed checks out of their natural sequence of order.

b. CRITERIA

Pre-numbered documents identify transactions in order to locate and account documents. In addition, pre-numbered checks assist in limiting the misappropriation of assets.

c. CAUSE OF CONDITION

The checks were not available for the check signer at the time that invoices needed to be paid, therefore, available check were used to pay the vendor bills due at that time.

d. POTENTIAL EFFECT OF CONDITION

There is a risk that someone other than an authorized check signer would write a check and the miss appropriation would not be discovered in a timely manner because management has ordinarily written checks out of sequence.

e. RECOMMENDATION

It is recommended that all checks that are out of sequence be voided. It is also recommended that no check is written out of sequence to avoid a misappropriation of assets. In addition, someone other than management, should review on a daily basis, the bank account and investigate any unusual transactions.

CLIENT RESPONSE

Corrective Action

Safe Haven Developmental Services Inc. will obtain a bank card to limit the number of checks written. Check will be written in sequential order and all voided checks will be kept on file.

Person Responsible

Diane Johnson, President

**Summary Schedule of Prior Audit Findings -
Financial Statement and Other Matters
For the Year Ended December 31,2012**

Ref. No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partially Corrective Action Taken
Section II - Financial Statement Findings:				
12-01	12/31/2013	The entity does not provide a backup system for its accounting software and electronic records to prevent loss of data in the case of disaster or computer malfunction.	yes	
12-02	12/31/2013	The Organization's bank reconciliations were not prepared in a timely manner. The bank reconciliations were not prepared monthly as an element of internal control.	yes	
12-03	12/31/2013	There is no evidence that invoices, p.o. (s), receiving reports, and other documents relative to the payment of expenses are examined and reviewed by an authorized person.	no	Director of programs to approve all transactions before any documents can be submitted for payments. This will be done through stamping documents approved with date and signature indicating payment clearance.
12-04	12/31/2013	The person responsible for authorizing transactions and signing checks also approves payments for their own compensation payments and reimbursements.	yes	
12-05	12/31/2013	The management of the organization disbursed checks out of their natural sequence of order.	partially	Bank card obtained to limit the number of checks written. Check will be written in sequential order and all voided checks will be kept on file.

Ref. No	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partially Corrective Action Taken
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Section III - Other Matters:

12-06	12/31/2013	There were 2 instances in which there was no supporting documentation for payment of an invoice.	yes	No instances noted for current year
12-07	12/31/2013	There was 1 instance in which the invoice did not agree with the payment	yes	No instances noted for current year

SAFE HAVEN DEVELOPMENTAL SERVICES INC.

Schedule Of Expenditures Of Federal Awards For the Year Ended December 31, 2013

<u>Federal Grantor / Pass - Through Grantor: Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture		
Passed through State of Louisiana Department Of Education:		
Summer Food Service Program	10.559	\$ <u>939,973</u>
Total Passed through State of Louisiana Department Of Education		<u>939,973</u>
Total U.S. Department of Agriculture		\$ <u><u>939,973</u></u>

See accompanying notes to Schedule of Expenditures of Federal Awards and independent auditors' report on compliance with requirements applicable to each major program and internal control over compliance in accordance with OMB Circular A-133.

SAFE HAVEN DEVELOPMENTAL SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2013

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal award of Safe Haven Developmental Services, Inc., has been prepared utilizing the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.